

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary    Public

**Date:** 1/21/2011

**GAIN Report Number:** 1102

## Croatia

**Post:** Zagreb

### Pet Food Market Brief

**Report Categories:**

Product Brief

**Approved By:**

**Prepared By:**

Andreja Misir

**Report Highlights:**

Croatia is a net importer of pet food. Imports have steadily risen from \$17.6 million in 2002 to \$47.6 million in 2009. Domestic consumption of dog and cat food is roughly equal to imports because Croatia does not have a domestic pet food industry and re-exports are negligible. In addition, Croatia's pet food market is still developing and will grow as household incomes increase. U.S. exporters are advised to keep a keen eye on Croatia's economic growth as an indicator of potential sales for U.S. pet food products.

## General Information:

### Market Overview

Croatia is net importer of pet food, mainly for dogs and cats. Imports have steadily risen from \$17.6 million in 2002 to \$47.6 million in 2009. Domestic consumption of dog and cat food is roughly equal to dog and cat food imports because Croatia does not have a domestic pet food industry and re-exports are negligible. Currently, there is only one small producer of dried pig ears and other similar high-end pet treats. Croatia's pet food market is still developing and will grow as household incomes increase. Additionally, empty nesters, older married couples, and singles are increasingly acquiring pets.

Although direct exports from the United States account for only a small portion of the dog and cat food market (less than 2% in 2009), it is possible to find several U.S. brands on the market that are manufactured in Europe. Nevertheless, direct U.S. exports have grown steadily from roughly half a million US dollars in 2002 to almost a million US dollars in 2009.

### Sales Channels and Market Segmentation

The majority of pet food is distributed through supermarkets that carry economic, mid-priced brands (Whiskas, Pedigree Pal, Friskies, Kitekat, Sheba, FelinaY, Dog Chow, Chappi, Cesar) and private labels. While, veterinarians and specialized shops carry premium brands (IAMS, Eukanuba, Purina).

Products include both wet and dry food, economic and premium products, and products geared toward specific breeds and age. However such market segmentation is at an early stage. Interestingly, many consumers are interested in healthy pet snacks and treats, especially those that preservative-free and contain healthy ingredients such as fruit and cereals. Interest in functional products, such as those to promote dental hygiene, is also increasing. U.S. exporters are advised to keep a keen eye on Croatia's economic growth as an indicator of potential sales for U.S. pet food products to this market that will soon develop more distinct product segmentation.

### Croatia Import Statistics UDG: Pet Foods (Dog & Cat Food), Group 17 (2007) Year To Date: January - December

Partner Country	United States Dollars			% Share			% Change 2009/2008
	2007	2008	2009	2007	2008	2009	
World	38,543,401	48,179,644	47,653,805	100.00	100.00	100.00	- 1.09
Hungary	13,467,048	15,903,321	13,492,012	34.94	33.01	28.31	- 15.16
Italy	6,002,612	8,355,722	9,561,906	15.57	17.34	20.07	14.44
Germany	2,379,388	3,899,137	5,478,580	6.17	8.09	11.50	40.51
Poland	4,194,307	5,306,287	5,454,773	10.88	11.01	11.45	2.80
Austria	4,592,495	4,647,159	4,228,660	11.92	9.65	8.87	- 9.01
Netherlands	2,611,143	3,257,719	2,846,808	6.77	6.76	5.97	- 12.61
France	1,884,505	2,911,585	2,786,744	4.89	6.04	5.85	- 4.29

Czech Republic	1,020,595	914,643	969,544	2.65	1.90	2.03	6.00
<b>United States</b>	<b>903,308</b>	<b>989,280</b>	<b>900,784</b>	2.34	2.05	1.89	- 8.95
Canada	404,649	417,904	495,819	1.05	0.87	1.04	18.64
Lithuania	0	452,513	437,760	0.00	0.94	0.92	- 3.26
Belgium	347,300	280,284	257,014	0.90	0.58	0.54	- 8.30
Spain	137,955	159,046	171,700	0.36	0.33	0.36	7.96
Liechtenstein	96,404	131,547	143,949	0.25	0.27	0.30	9.43
Slovenia	169,395	211,234	142,538	0.44	0.44	0.30	- 32.52
Denmark	39,166	53,520	95,483	0.10	0.11	0.20	78.41
Thailand	59,247	111,341	90,121	0.15	0.23	0.19	- 19.06
United Kingdom	35,267	8,418	40,309	0.09	0.02	0.08	378.84
Switzerland	27,065	36,531	29,883	0.07	0.08	0.06	- 18.20
China	505	28,221	17,454	0.00	0.06	0.04	- 38.15
Australia	3,426	4,963	10,316	0.01	0.01	0.02	107.86
Taiwan	0	1,280	1,422	0.00	0.00	0.00	11.09
India	0	0	226	0.00	0.00	0.00	0.00
Russia	664	0	0	0.00	0.00	0.00	0.00
Slovakia	166,957	97,989	0	0.43	0.20	0.00	- 100.00

Source: Global Trade Atlas

## Tariffs and VAT

The value added tax (VAT) on all products is 23% at present.

The United States is at a slight tariff disadvantage as compared to some other suppliers of this market. Tariff rates are as follows:

2309 10 dog and cat food :

MFN 5%

EU, Albania, Bosnia and Herzegovina, Monte Negro, Macedonia, Serbia, and UNMIK/Kosovo - free

The most recent tariff rates can be found at:

<http://www.carina.hr/ActInternet/MainFrame/AplMainFrame.aspx>

## Market Access

As an EU-candidate country, Croatia complies with all relevant EU legislation. Each individual pet food shipment containing product of animal origin must be accompanied by a health certificate signed by APHIS. APHIS veterinary services will endorse certificates after facilities have been officially approved as compliant with EU Regulation 1774/2002. The APHIS website can be viewed at [www.aphis.usda.gov](http://www.aphis.usda.gov) where listed certificates can be found.

Required import certificates for pet food are the following:

<b>Product(s) from non EU countries</b>	<b>Title of certificate</b>	<b>Attestation Required on Certificate</b>	<b>Purpose</b>	<b>Requesting Ministry</b>
Dog chews  #HR-U-3-3-3	Veterinary certificate	This certificate is confirmed and can be issued by APHIS.	Veterinary purposes	Ministry of Agriculture, Fisheries and Rural Development
Canned pet food  #HR-U-3-3-1	Veterinary certificate	This certificate is confirmed and can be issued by APHIS.	Veterinary purposes	Ministry of Agriculture, Fisheries and Rural Development
Processed pet food other than canned pet food  #HR-U-3-3-2	Veterinary certificate	This certificate is confirmed and can be issued by APHIS.	Veterinary purposes	Ministry of Agriculture, Fisheries and Rural Development

These certificates may also be obtained from the FAS/USDA office in Zagreb.

### **Key Contacts and Further Information**

A list of Croatian pet food importers is available to U.S. pet food exporters and information on pet food fairs or pet shows are available and can be obtained by contacting:

Andreja Misir  
Agricultural Specialist  
USDA/FAS  
Embassy of United States of America  
Thomas Jefferson 2  
10010 Buzin, Novi Zagreb, Croatia

andreja.misir@usda.gov  
Tel. +385 (1) 661 2467  
Fax. +385 (1) 665 8950  
Cell. +385 (1) 455 2365